

(v) *Licensed sampler.* A person, employed by a licensed warehouseman, licensed under the act to draw samples from cotton stored in the licensed warehouse at which such person is employed.

(w) *Board of cotton examiners.* A board of cotton examiners properly qualified and designated as such under the regulations (part 28 of this chapter) under the United States Cotton Standards Act.

(x) *Net assets.* The difference remaining when liabilities are subtracted from allowable assets. In determining allowable assets, credit may be given for appraisal of real property less improvements and for the appraisal of insurable property such as buildings, machinery, equipment, and merchandise inventory only to the extent that such property is protected by insurance against loss or damage by fire, lightning, and tornado. Such insurance must be in the form of lawful insurance policies issued by insurance companies authorized to do such business and subject to service of process in the State in which the warehouse is located. The Secretary shall, at his discretion, determine what assets are allowable and under what conditions appraisals may be used.

(y) *Warehouse capacity.* Warehouse capacity is the maximum number of bales of cotton that the warehouse will accommodate when stored in the manner customary to the warehouse and as required by the Secretary.

(z) *Current assets.* Assets, including cash, that are reasonably expected to be realized in cash or sold or consumed during the normal operating cycle of the business or within one year if the operating cycle is shorter than one year.

(aa) *Current liabilities.* Those financial obligations which are expected to be satisfied during the normal operating cycle of the business or within one year if the operating cycle is shorter than one year.

(bb) *Access.* The ability when authorized, to read, change, and transfer warehouse receipt information retained in the central filing system.

(cc) *Central filing system (CFS).* An electronic computer system operated and maintained by an approved pro-

vider where the information relating to warehouse receipts is recorded.

(dd) *Electronic warehouse receipt (EWR).* An electronic file in the CFS that contains at the least information required to be included in a warehouse receipt by section 18 of the Act, and §735.16, regarding a bale of cotton and has been identified to a holder.

(ee) *Holder.* An individual or entity in possession, in fact, or by operation of law, of a receipt and by extension, of the cotton represented thereby.

(ff) *Issue.* EWRs are considered issued when a licensed warehouseman has transmitted all necessary information to an approved provider, and when such information is entered into the provider's CFS.

(gg) *Provider.* An individual or entity that maintains EWRs in a CFS, meets the requirements of this part, and has a Provider Agreement with the Service.

(hh) *Provider Agreement.* An agreement entered into between the Secretary and a provider that delineates the provider's responsibilities and defines the relationship between the provider and the Service regarding the provider's maintenance and security of EWRs in the CFS and other requirements of this part.

(ii) *User.* An individual or entity that uses the provider's CFS but shall not include the Service in its regulatory capacity.

[29 FR 15720, Nov. 24, 1964. Redesignated and amended at 50 FR 1814, Jan. 14, 1985; Amdt. 2, 53 FR 27148, July 19, 1988; 59 FR 15038, Mar. 31, 1994; 62 FR 33540, June 20, 1997]

WAREHOUSE LICENSES

§ 735.3 Application forms.

Applications for licenses under sections 4 and 9 of the act and for amendments of licenses under section 5 of the act shall be made to the Secretary upon forms prescribed for the purpose and furnished by the Service, shall be in English, shall truly state the information therein contained, and shall be signed by the applicant. The applicant shall at any time furnish such additional information as the Secretary or the Administrator shall find to be necessary to the consideration of his application.